

AMENDMENT TO INSTALLMENT PROMISSORY NOTE FOR \$50,000

THIRD AMENDMENT TO PROMISSORY NOTE

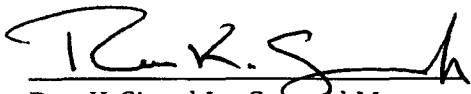
THIS THIRD AMENDMENT (the "Amendment") is made this 16th day of JUNE 2010, for a promissory note totaling \$50,000 signed on December 31, 2007 by and between, the undersigned, Allband Communications Cooperative (Borrower), maintaining an address at 7251 Cemetery Rd. Curran, MI 48728 (Borrower's Address) and John Reigle (Lender), whose address is PO Box 64, Curran, MI 48728 (Lender's Address).

WITNESSETH:

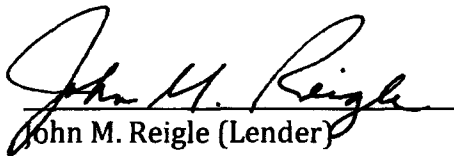
WHEREAS, the Lender and the Borrower have agreed to make certain modifications to the Note:

The accrued interest and principal shall be paid in monthly installments of \$1,000.00, with the first payment due on September 1, 2009 and continuing every month thereafter with a like amount on the same date each month.

The full amount of this note; additions to the principle sum totaling \$17,448.14 as stated in Amendment #2; and all accrued interest is due on December 14, 2017.



Ron K. Siegel Jr., General Manager
Allband Communications Cooperative (Borrower)



John M. Reigle (Lender)

Installment Promissory Note

Amount \$25,000

Date: August 14, 2009

FOR VALUE RECEIVED, the undersigned, Allband Communications Cooperative (Borrower), maintaining an address at PO Box 8, Curran, MI 49728 (Borrowers Address) promises to pay to the order of John Reigle (Lender), whose address is PO Box 64, Curran, MI 48728 (Lender's Address), the principle sum of \$25,000.00 (Twenty Five Thousand and no/100 Dollars) (Principal), together with interest of 12.0% (Interest Rate) per year thereon from the date herein.

The accrued interest shall be paid in monthly installments of \$250.00, with the first payment beginning on September 14, 2009 and continuing every month thereafter with a like amount on the same date each month. The full amount of this note and all accrued interest is due on August 14, 2011.

All or any part of the Principle may be prepaid at any time and from time to time without penalty. Payments shall be applied first to accrued interest and the balance to the Principle.

In the event of any default by the Borrower in the payment of Principle or interest after demand is made, the unpaid balance of the Principle of this promissory note shall, at the option of the holder, become immediately due and payable. Any amount due at the time of default shall accrue interest until payment at the rate of thirteen percent (13.0%) per year or the highest rate permitted by law, whichever is less.

Upon default in making payment within 7 days of demand, Borrower agrees to pay all reasonable legal fees and costs of collection to the extent permitted by law.

Borrower and all other persons who may become liable for the payment hereof severally waive demand, presentment, protest, notice of dishonor or nonpayment, notice of protest, and any and all lack of diligence or delay in collection, which may occur.

All payments hereunder shall be made to such address as may from time to time be designated by any holder and must be made in United States funds.

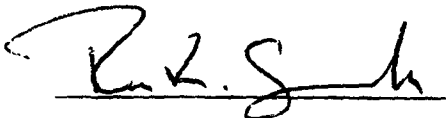
Borrower and all other parties to this note whether as endorsers, guarantors or sureties, agree to remain fully bound until this note is paid in full and waive demand, presentment and protest and all notices hereto. Borrower further agrees to remain bound by this note notwithstanding any extension, modification, waiver, or other indulgence, failure, discharge or release of any obligation hereunder.

The holder's failure to exercise any right or option hereunder does not constitute a waiver of any future right or option.

No modification to this document or indulgence by any holder hereof shall be binding unless in writing.

If any provision of this Note is deemed unenforceable, in whole or in part, for any reason, the remaining provisions shall still remain in full force and effect.

This note shall take effect as a sealed instrument and is made and executed under, and is in all respects governed by the laws of Michigan (State).



Ron Siegel, General Manager

Allband Communications Cooperative


Installment Promissory Note Amendment

FOR VALUE RECEIVED, the undersigned, Allband Communications Cooperative (Borrower), maintaining an address at PO Box 8, Curran, MI 49728 (Borrowers Address) promises to pay to the order of John Reigle (Lender), whose address is PO Box 64, Curran, MI 48728 (Lender's Address), the below added amounts to the principle sum of \$25,000.00 (Twenty Five Thousand and no/100 Dollars) (Principal), together with interest of 12.0% (Interest Rate) per year thereon from the date herein.

Amounts Added to Original Loan:

\$15,000.00 for Payment Made to CAP

\$2,507.63 for reimbursement for business trip to Washington D.C.

 12/11/2009

Ron Siegel, General Manager

Allband Communications Cooperative

AMENDMENT TO INSTALLMENT PROMISSORY NOTE OF \$25,000

THIRD AMENDMENT TO PROMISSORY NOTE

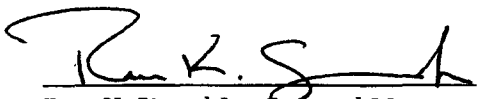
THIS THIRD AMENDMENT (the "Amendment") is made this 16th day of JUNE 2010, for a promissory note totaling \$25,000 signed on August 14, 2009 by and between, the undersigned, Allband Communications Cooperative (Borrower), maintaining an address at 7251 Cemetery Rd. Curran, MI 48728 (Borrower's Address) and John Reigle (Lender), whose address is PO Box 64, Curran, MI 49728 (Lender's Address).

WITNESSETH:

WHEREAS, the Lender and the Borrower have agreed to make certain modifications to the Note:

The accrued interest and principal shall be paid in monthly installments of \$1,823.83, with the first payment due on January 1, 2010 and continuing every month thereafter with a like amount on the same date each month.

The full amount of this note; additions to the principle sum totaling \$15,000 and \$2,507.63 as stated in Amendment #2; and all accrued interest is due on December 1, 2011.



Ron K. Siegel Jr., General Manager
Allband Communications Cooperative (Borrower)


John M. Reigle (Lender)

U. S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT	SYSTEM DESIGNATION Michigan 570 Allband	
	REGISTER NO. 1113	ADVANCE APPROVED \$798,229

REQUISITION ADJUSTMENT REPORT

TO: Allband Telecommunications Cooperative
P.O. Box 246
Hillman, MI 49746

WE ARE ENCLOSING FORM 481, FINANCIAL REQUIREMENT STATEMENT, NO. 16. CUMULATIVE NEW DISBURSEMENTS REPORTED IN COLUMN 5 OF FORM 481 ARE SUBJECT TO FINAL REVIEW AND APPROVAL OF AN REA FIELD ACCOUNTANT.

TRANSACTIONS NOT APPROVED AS REQUESTED ARE EXPLAINED BELOW:

ITEM	EXPLANATION	AMOUNT REQUESTED	AMOUNT APPROVED	DIFFERENCE
	Funds are approved for advance as shown in Column 5.	\$1,000,007	\$798,229	\$201,778
8.b.	The items marked with asterisk have been transferred to Closed Budget - Audited in accordance with the field accountant Loan Fund Audit as of April 30, 2009.			
2.d.	<u>Post Loan Eng. Contract A-12E</u> Advanced requested increased to total approved for advanced.			
5.	<u>Operating Funds</u> Reduced to \$0 amount requested. Reserves depleted.			
	Enclosure			
	cc: Official File-NDEB(MI570-Allband) GFR-Mellom PASD:NRAB(FA) RD:TP:NDEB:Dreeves:dr:06/29/2010 <i>DR</i>			

Bruce Lovejoy
CHIEF, NORTHERN DIVISION ENGINEERING BRANCH
TELECOMMUNICATIONS PROGRAM

6/29/10
DATE

USDA - RURAL DEVELOPMENT FINANCIAL REQUIREMENT STATEMENT (REA; FFB) INST. - Submit an original & 2 copies to REA. See Bul. 327-1.				ELECTRONIC FORM NOT OMB APPROVED			
DATE RECEIVED		REA NUMBER		BORR. DESIG.		STATEMENT NO.	
12/16/10		1113		MI-570-A ✓		16 ✓	
REUSE ONLY				Borrower Name and Address			
APPROVED PURPOSES (Use Supplemental Sheets as necessary)				Allband Communications Cooperative ✓ P.O. Box 8 ✓ Curran, MI 48728 ✓			
		AMOUNT UNENCUMBERED					
		REA USE ONLY WITHHELD ON CONTRACT (1)	TOTAL APPROVED FOR ADVANCE (2)	TOTAL ADVANCES TO DATE (3)	ADVANCES NOW REQUESTED (4)	REA USE ONLY ADVANCES CURRENTLY APPROVED (5)	TOTAL DISBURSEMENTS & CREDITS AS OF 1/15/10 (6)
1. Construction		3747644					
a. Spec Equipment Contract A-2 (F)			23,468	23,468			23,468
b. OSP Contract A-3 ✓		197244	3,757,040	3,219,163	413,000	413,000	3,219,163
c. COE Contract A-4 ✓			289,244	289,244			289,244
d. Spec Equipment Contract A-5 (F)			24,324	24,324			24,324
e. Spec Equipment Contract A-6 (F)			100,383	100,383			100,383
f. Bldg Contract A-7 (F)			25,256	25,256			25,256
g. Bldg Contract A-8 ✓		13,140	123,660	78,082			78,082
h. Spec Equipment Contract A-11 (F)			181,991	181,991			181,991
i. Approved Work Orders ✓		391952	455,303	455,303	136,651	136,651	455,303
2. Engineering				479,077			
a. Engineering Contract A1-E (F) ✓			479,077	479,077			479,077
b. Post Loan Eng. Contract A-9E ✓			299,273	124,300	174,973	174,973	124,300
c. Post Loan Eng. Contract A-10E ✓		21,500	408,500	408,500			408,500
d. Post Loan Eng. Contract A-12E ✓		36,826	328,605	255,000	25,383	73,605	255,000
3. Operating Equip. - a Work Vehicle ✓			35,574	35,574			35,574
4. General - a. Office Furniture ✓			6,471	6,471			6,471
5. Operating Funds		731	825,981,355	731,355	250,000		731,355
6. Debt Retirement							
7a. Acquisitions							
8a. Closed Budget - Unaudited							
b. Closed Budget - Audited							
9. Subtotals - All Funds		268709	7,519,524	6,437,491	1,000,007	798,229	6,437,491
10. Sale of Property			739,678	631,600			
11. Other - a. Req'd Non-Loan							
b.							
c.							
12. Net Totals - Loan Funds		268709	7,519,524	6,437,491	1,000,007	798,229	6,437,491
		TOTAL LOAN	UNDER NOTE	ADVANCED	THIS FRS		
13. RUS LOAN		8,067,000	8,067,000	6,437,491	1,000,007		
14. RTB LOAN							
15. FFB LOAN							
16. TOTAL		8,067,000	8,067,000	6,437,491	1,000,007		
UNENCUMBERED RESERVES (This Space For REA Use Only)							
Central Office Equipment				General and Contingency			
Outside Plant and Station Equipment				Office Equipment			
Land and Buildings				Vehicle & Work Equipment			
Engineering				Total Unencumbered Reserves		401507	
CERTIFICATION							
On behalf of the designated borrower, I request that the amount set forth as "Advances Now Requested" (Item 12, Col. 4 above) be advanced under the loan contract "Loan contract" includes in addition to the REA and RTB loan contracts, the Federal Financing Bank - REA Loan Commitment Agreement, and the related Commitment Notice and correspondence concerning loan terms and conditions. I certify that the amount so requested is for a purpose or purposes for which funds have either been approved for advance or for which approval is requested herewith; that the amount advanced will be deposited in the Trustee, REA Construction Fund account of the							
Corporation in the <u>Bank of Alpena</u> bank, which is a member of the FDIC; that loan and other funds required to be deposited in such bank account will be disbursed only for the purposes and not to exceed the amounts approved for each purpose in Column (2) "Total Approved For Advance" of the Financial Requirement Statements; that the cash balance shown hereon is the balance of the Construction Fund-Trustee account of the general Ledger as of <u>1/15/10</u> ; and that the disbursements reported in Column (6) were made in the amounts stated for each purpose; all in accordance with the provisions of the loan contract.							
SIGNATURE (ORIGINAL MUST APPEAR ON EACH PAGE)				TITLE (Authorized Corporate Officer or Manager)			
				GENERAL MANAGER			
REA FORM 481 (Computer Generated Copy)				Send 2 original signed copies to USDA-RDUP-Telecommunications			

ALLBAND COMMUNICATIONS COOPERATIVE
STATEMENT OF PROJECTED REVENUE AND EXPENSES
For the 12 months ended December 31, 2012 and 2013

	<u>2012</u>	<u>2013</u>
OPERATING REVENUES:		
Service Revenue	\$ 98,270	\$ 274,933
Other Revenue	<u>5,868</u>	<u>6,858</u>
Total Operating Revenue	\$ 104,138	\$ 281,791
OPERATING EXPENSES:		
Access Expense	\$ 50,887	\$ 72,887
Customer Operations	44,402	83,565
Customer Services Expense	34,694	72,505
General & Administration Expense	<u>44,029</u>	<u>67,123</u>
Total Operating Expensese	\$ 174,012	\$ 296,080
OPERATING INCOME (LOSS)	<u>\$ (69,874)</u>	<u>\$ (14,289)</u>

For Management Purposes Only